



MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Sachi A. Hamai, Executive Officer-
Clerk of the Board of Supervisors
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

Director of Mental Health

At its meeting held June 20, 2006, the Board took the following action:

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The following item was called up for consideration:

The Director of Mental Health's recommendation to approve and authorize the Director to prepare and execute the supersession of 69 Legal Entity (LE) agreements to enable the Department to ensure the uniform implementation of revised and new Board-mandated provisions required in all LE agreements which provide for mental health services to severely and persistently mentally ill adults, seriously emotionally disturbed children, adolescents, and their families, at a total cost of \$239,191,997, funded by 32% State and 45% Federal revenues, 4% Intrafund Transfers and 19% Net County Cost/Realignment funds in amount of \$46,149,547, effective upon execution through June 30, 2007 with one automatic one-year renewal; authorize the Director to prepare and execute amendments to the LE agreements, provided that: 1) the County's total payments to a contractor under each agreement for each applicable fiscal year does not exceed an increase of 20% from the applicable revised MCA or per diem rates; and 2) any such increase shall be used to provide additional services or to reflect program and/or policy changes.

Marvin J. Southard, Director, and Susan Kerr, Chief Deputy Director, Department of Mental Health, responded to questions posed by the Board.

After discussion, Supervisor Molina made the following statement:

"Each year the Department of Mental Health seeks the renewal and supersession of key Legal Entity agreements with community mental health service providers to provide services to severely and persistently mentally ill adults, seriously emotionally disturbed children, adolescents and their families throughout the County of Los Angeles, and at the end of each year the Department usually requests this Board of Supervisors to allow one-time flexibility to enable these providers to shift funds within their contracts not to exceed the Maximum Contract Amount to enable these providers to draw down Federal and State funds to cover services provided in other programmatic areas. This practice however, seems to result in an uneven provision of services across the County and appears to have a significant impact on the Department of Mental Health's Annual Budget. Before approving another set of Legal Entity Agreements, more information is needed."

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Therefore, on motion of Supervisor Molina, seconded by Supervisor Antonovich, unanimously carried (Supervisor Knabe being absent), the Board took the following actions:

1. Continued the Director of Mental Health's aforementioned recommendation for one week to June 27, 2006, pending additional information from the Department;
2. Instructed the Director of Mental Health to report back to the Board in one week with a written analysis of the following:
 - The pros and cons of why it is partitioning programmatic services in this manner;
 - The impact of such partitioning on program and service availability in communities;
 - The impact on providers; and
 - The impact on the Department of Mental Health's Budget, particularly, any savings identified from not providing such flexibility in 2005-06; and
3. Instructed the Director of Mental Health to work with the providers and return to the Board in one week with a process and plan for resolving the aforementioned issue within the next 30 days so that such resolution, if approved by the Board, may be included in the new 2006-07 contract going forward.

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